

51047/068

Sept. 1, 2003

State of Utah

To: Paul Baker, Oil Gas &amp; Mining

4 pages including cover sheet.

Paul I forgot to include these  
in the letter I mailed to you.

Thanks

Larry Allred

Vernal, UT

Wendover Tar Sand Mine

RECEIVED

SEP 02 2003

DIV. OF OIL, GAS &amp; MINING



**WEMBCO INCORPORATED**

727 South Orange Grove Blvd. #7, Pasadena, CA 91105  
626 799-2175 FAX: 714 852-8077

Jan. 8, 1998

Dear Commissioners:

Enclosed are our meeting notes from Tuesday, Jan. 6. Please confirm and fax back any discrepancies to my fax number above. Enjoyed meeting all of you.

Respectfully,



Kathryn L. Miller/ Barnes

President of WEMBCO

**Meeting Notes:**

Vernal, Utah Jan. 6, 1998, County Commissioners office  
Present: Lewis Vincent, Herb Snyder, Lorin Merrell, Larry Allred, James Barnes and Kathryn Barnes

**DISCUSSION POINTS:****1. 5-Acre Small Mining Permit of D Tract**

- County suggested we start application paperwork of permit immediately
- Commissioners agreed to rent Wembco their D-10 Caterpillar with operator for \$150. per hr. for removal of overburden and the D-Tract gravel operation
  - A. Rental Fee will apply as Advance Payment on material at \$7.00 per ton. Intended use for County projects and limited sell to county residents for personal use (non-commercial) and 100-ton per year/ per resident limit.
  - B. The County will handle asphalt sale records which will be applied against D-10 usage fees. County will generate Asphalt Sales Coupons. Larry Allred will be the operator on site.

**2. D-Tract Gravel Operation**

- The county agreed to rent the D10 Caterpillar with operator for \$150. per hr.
  - A. Rental Fee will apply as Advance Payment on gravel material at \$.50 per ton.
  - B. Gravel Payment will be applied against D-10 usage until paid in full then gravel payment will be paid bi-annually to Wembco.
  - C. The commissioner's opinion- access to and from D tract is on a "Class D Road", therefore it is a public access road.

Letter transmitted via FAX  
1/9/98.



## Letter of Intent

This Letter of Intent reflects the agreement between WEMBCO, Inc, a California corporation, 727 South Orange Grove #7, Pasadena, California 91105 (Hereinafter WEMBCO) and Larry J. Allred, an individual proprietor, residing at 3996 W. 1500 N., Vernal, Utah 84078 (Hereinafter Allred), to contract mine native tar sand and gravel on the piece of property known as the "D" Tract on asphalt ridge in Uintah County, Utah.

It is the intent of the parties to enter into a definitive agreement incorporating the following terms and conditions:

1. WEMBCO Inc. shall provide a mining site cleared of overburden by Uintah County and have in place any required County and State permits for this mining operation.
2. Allred shall provide liability insurance to cover any mining and subsequent processing done on WEMBCO Inc.'s property by Allred.
3. The Term of this agreement shall be for one year from the date of signing, to be renewed on a yearly basis adjusting any changes in cost or operation at this time.
4. A suitable method of accounting for material mined will be agreed upon by both parties.
5. WEMBCO Inc. shall pay Allred \$2.40 per ton for raw tar sand rotomilled and left on the ground. WEMBCO shall pay Allred \$1.00 per ton for loading material.

Agreed upon this day: January 28, 1998 in Vernal, Utah.

Signed:

Larry J. Allred

WEMBCO Inc., by James Barnes, Vice President



## Letter of Intent

This Letter of Intent reflects the agreement between WEMBCO, Inc, a California corporation, 727 South Orange Grove #7, Pasadena, California 91105 (Hereinafter WEMBCO) and Larry J. Allred, an individual proprietor, residing at 3996 W. 1500 N., Vernal, Utah 84078 (Hereinafter Allred), to supply rotomilled native tar sand and bank run gravel, top soil, fill or overburden from the piece of property known as the "D" Tract on Asphalt ridge in Uintah County, Utah.

It is the intent of the parties to enter into a definitive agreement incorporating the following terms and conditions:

1. WEMBCO shall provide Allred with rotomilled native tar sand on the ground at a price of \$3.50 plus the cost of mining as defined in the mining contract between WEMBCO Inc. and Allred. All landowner royalties shall be paid for by WEMBOC Inc. out of the \$3.50.
2. The amount of material WEMBCO Inc. shall provide during the term of this agreement shall be unlimited until such time as the mining operation has been taken over by Crown Asphalt. The amount of material WEMBCO Inc. shall provide thereafter shall be equal to or greater than 50 % of the material Crown has contracted to provide WEMBCO Inc.
3. Bank run gravel, top soil, fill material or overburden shall be sold to Allred by WEMBCO Inc. as is, where is, at a cost of 50 cents per cubic yard.
4. Term of this agreement shall be 10 years, to be renewed at the option of WEMBCO Inc.

Agreed upon this day: January 28, 1998 in Vernal, Utah.

Signed: \_\_\_\_\_

Larry J. Allred

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WEMBCO Inc., by James Barnes, Vice President